

86TH CONGRESS 1st Session	} HOUSE OF REPRESENTATIVES {	REPORT No. 742
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## ESTABLISHING AN ADVISORY COMMISSION ON INTER- GOVERNMENTAL RELATIONS

JULY 31, 1959.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Government Operations,  
submitted the following

### R E P O R T

[To accompany H.R. 6904]

The Committee on Government Operations, to whom was referred the bill (H.R. 6904) to establish an Advisory Commission on Inter-governmental Relations, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 2, line 24, strike "cooperation, and" and insert "cooperation;".

Page 3, line 3, strike "functions and" and insert "functions,".

Page 3, line 3, after the word "responsibilities" insert ", and revenues".

Page 3, line 4, strike "government." and insert "government; and".

Page 3, after line 4, add the following new paragraph:

(7) recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

Page 3, line 7, strike "twenty-four" and insert "twenty-five".

Page 3, line 18, strike "six" and insert "eight".

Page 3, line 20, strike "five" and insert "six".

Page 3, line 24, strike "six" and insert "eight".

Page 4, line 3, strike "One" and insert "Two".

Page 4, line 4, strike "two" and insert "four".

Page 4, line 13, after the word "party" and before the semicolon add "and of the members enumerated in paragraph (7) of subsection (a), not more than one shall be from any one political party".

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**Z ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS**

Page 4, line 14, strike "(5) and" and insert "(5)."

Page 4, line 14, after "(6)" insert ", and (7)".

Page 4, beginning in line 25, strike out "The President, or his designee, shall" and all that follows down through line 2 on page 5.

Page 5, lines 3 and 4, strike out "The Commission shall elect a Chairman and a Vice Chairman from among its members." and insert "The President shall designate a Chairman and a Vice Chairman from among members of the Commission."

Page 5, line 9, strike "and".

Page 5, line 9, after "6" insert ", and 7".

Page 5, lines 11 and 12, strike out "one name more than the number of vacancies." and insert "two names for each vacancy."

Page 5, line 16, strike "Twelve" and insert "Thirteen".

Page 6, line 15, strike "of" and insert "authorized by".

Page 8, lines 12 and 13, strike out "expenses, including subsistence" and insert "expenses".

Page 8, line 14, after "subsistence" insert "and mileage".

Page 8, line 14, strike "rate" and insert "rates".

**PURPOSE**

H.R. 6904, as amended, would establish a permanent bipartisan Advisory Commission on Intergovernmental Relations which, on a continuing basis, will (1) bring together representatives of the Federal, State, and local governments for the consideration of common problems; (2) provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation; (3) give critical attention to the conditions and controls involved in the administration of Federal grant programs; (4) make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system; (5) encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation; (6) recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government; and (7) recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

The underlying purpose of the Commission is to strengthen the ability of our Federal system to meet the problems of an increasingly complex society by promoting greater cooperation, understanding, and coordination of activities between the separate levels of government.

The membership of the Commission would be drawn, for the most part, from among active and responsible public officials at all levels of government. Thus, the Commission would benefit from both the firsthand knowledge of its members of the problems under consideration and their ability to communicate the findings and recommendations of the Commission to their respective levels of government.

It is intended that the Commission will provide guidance to the President and the Congress for the development of sound Federal policies with respect to State and local government. The Advisory

Commission, however, would in no way substitute for or interfere with either the responsibility of the President for the coordination of Federal intergovernmental programs or with the legislative responsibilities of the Congress. It is intended that the Commission will also provide guidance for the development of sound intergovernmental relations at the State and local levels.

The committee wishes to emphasize its intention that the Commission will serve to strengthen State and local government so as to preserve the values of our Federal system. It should be an objective of the Commission to facilitate discussion of intergovernmental problems and to identify governmental responsibilities as they arise, and to make appropriate suggestions and recommendations to the proper level of government if recognized responsibilities are not being met at such level.

#### BACKGROUND

H.R. 6904 implements a major recommendation of the 30th report of the Committee on Government Operations which was unanimously adopted in August 1958.

In that report (H. Rept. 2533, 85th Cong., 2d sess.) the committee recommended "the establishment of a broadly based Advisory Commission on Intergovernmental Relations, drawing its membership from the Congress, the executive branch, Governors, State legislators, mayors, county officials, and private citizens." The committee envisaged "that such a large body would meet infrequently, but would maintain working committees to deal with special problems and would be assisted by a permanent professional staff."

The recommendation for an Advisory Commission is the result of 3 years of intensive study of Federal-State-local relations by the committee's Intergovernmental Relations Subcommittee. In the course of its investigations the subcommittee held numerous public hearings, including field hearings throughout the country during the fall of 1957, and made questionnaire surveys and special studies.<sup>1</sup> The subcommittee's investigations pointed strongly to the need for a permanent Advisory Commission to build on the foundation laid by the Commission on Intergovernmental Relations (the Kestnbaum Commission, whose 1955 report to the President and the Congress was referred to and thoroughly studied by the subcommittee), and the need to strengthen communication and relations between the

<sup>1</sup> The printed hearings and reports are as follows:

Staff Report on Replies from Federal Agencies to Questionnaire on Intergovernmental Relations (August 1956).

Replies from State and Local Governments to Questionnaire on Intergovernmental Relations, Sixth Report by the Committee on Government Operations (H. Rept. 575), June 1957.

Federal-State-Local Relations. Hearings before a subcommittee of the Committee on Government Operations, House of Representatives (July 29, 30, and 31, 1957).

Federal-State-Local Relations, State and Local Officials. Hearings before a subcommittee of the Committee on Government Operations, House of Representatives:

Part 1: Boston, Mass., and New York, N.Y. (Sept. 30, Oct. 1, 2, 3, 4, and 7, 1957).

Part 2: Chicago, Ill., and Kansas City, Mo. (Oct. 16, 17, 18, 21, and 22, 1957).

Part 3: Denver, Colo., and San Francisco, Calif. (Oct. 24, 25, 28, and 29, 1957).

Part 4: New Orleans, La., and Raleigh, N.C. (Nov. 18 and 19, and Dec. 10 and 11, 1957).

Federal-State-Local Relations, Dade County (Fla.) Metropolitan Government. Hearings before a subcommittee of the Committee on Government Operations, House of Representatives (Nov. 21 and 22, 1957).

Federal-State-Local Relations, Joint Federal-State Action Committee. Hearings before a subcommittee of the Committee on Government Operations, House of Representatives (Feb. 18, 1958).

Federal-State-Local Relations, Nongovernmental Organizations and Individuals. Hearings before a subcommittee of the Committee on Government Operations, House of Representatives (Feb. 25 and 26, 1958).

Federal-State-Local Relations, Federal Departments and Agencies. Hearings before a subcommittee of the Committee on Government Operations, House of Representatives, Mar. 26, 27; Apr. 2, 30; May 7, 8; and June 19, 1958.

Federal-State-Local Relations, Federal Grants-in-Aid, 30th Report by the Committee on Government Operations (H. Rept. 2533), August 1958.

**4 ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS**

levels of government. The Kestnbaum Commission's 2-year study of intergovernmental relations was the first official undertaking of its kind since the Constitutional Convention in 1787.

Identical bills to establish an Advisory Commission on Intergovernmental Relations were introduced in the House on May 6, 1959, by Representative L. H. Fountain (H.R. 6904) and Representative Florence P. Dwyer (H.R. 6905). A companion Senate bill, S. 2026, was introduced by Senator Edmund S. Muskie for himself and 25 cosponsors.

**JOINT HEARINGS**

Joint hearings were held on the identical bills, H.R. 6904, H.R. 6905, and S. 2026, by the Intergovernmental Relations Subcommittee and the Senate Committee on Government Operations. In these joint hearings, held on June 16, 17, 19, and 22, 1959, the committees heard 21 witnesses and received written statements from 45 additional individuals or organizations who were unable to be present.

The witnesses included Members of Congress, Governors, mayors representing the two national municipal organizations, a spokesman for the National Association of County Officials, and members of the former Commission on Intergovernmental Relations.

Testimony or statements favoring this legislation were received from 22 Governors. In addition, the committee received communications from 16 Governors who were unable to attend the hearings and who expressed no opinion on the bills. No Governor was opposed to the Commission's establishment.

State Senator Leslie B. Cutler of Massachusetts presented the committees in joint hearing with a unanimous resolution adopted June 10, 1959, by the Massachusetts Senate memorializing the Congress to enact this legislation for the establishment of an Advisory Commission on Intergovernmental Relations. Similar resolutions have also been adopted by the American Municipal Association, the U.S. Conference of Mayors, and the National Association of County Officials.

**NEED FOR COMMISSION**

The need for a permanent Commission to give continuing attention to intergovernmental problems has been widely recognized.

Ten years ago the first Hoover Commission recommended the establishment of a Commission on Intergovernmental Relations.

Last year this committee, after hearings by its subcommittee throughout the United States, made a similar recommendation. In emphasizing the need for a permanent commission the committee stated in its report:

Occasional studies and ad hoc committees, however useful, are not an effective substitute for the continuous review of intergovernmental programs and problems from the standpoint of the Federal system as a whole.<sup>2</sup>

Last month a joint hearing of the Intergovernmental Relations Subcommittee and the Senate Committee on Government Operations adduced unanimous testimony in support of a permanent commission. This support had no geographical limitations, no political differences, no divisiveness as between levels of government.

<sup>2</sup>H. Rept. 2533, 85th Cong., 2d sess., p. 39.

The advocacy of distinguished witnesses was universal and reflected many areas of interest and experience; it also, with unconcerted foresight, anticipated numerous arguments which might be made against the proposal by those who are not as close to the problems involved. This report, therefore, incorporates excerpts at some length from their testimony.

## EXCERPTS FROM TESTIMONY

Mr. Meyer Kestnbaum, in speaking of the work of the Commission on Intergovernmental Relations which he headed, stated:

I am sure I need not remind you that the Commission, in making its report, had in mind the fact that its study was only the beginning of a real inquiry into the whole subject.

\* \* \* \* \*

I should like to go on record as saying that the idea of a commission that will give the President and the Congress the benefit of careful, incisive research and examination of the many problems that face us in this area, is sound, and that it can fulfill a very important and useful function.

Former Congressman Brooks Hays, who served as a member of the Kestnbaum Commission, addressed himself to what is frequently the first reaction when a commission is proposed. Mr. Hays said:

I see no escape from what you might call the proliferation of agencies. Now I do not mean that we can go on just multiplying commissions and agencies, but as we find some new need, and establish a commission, we also find the atrophy of commissions that were born out of another necessity that can be abandoned.

\* \* \* \* \*

But to refuse to meet a new need, with imagination, such as underlies this legislation, is simply not to give proper weight to the dynamic character of this Federal system.

I see no escape from it. In other words, the alternative of doing nothing because you do not want to yield is to assume that we have already achieved the ideal. But we need changes, and inaction is unthinkable with America's genius for going forward in other fields.

One trouble, Mr. Chairman, is that we have lagged in working this whole political enterprise, as I like to call it. People in America have falsely assumed that the system, being what Gladstone said, largely will operate itself.

And we have given so much of our intellectual energies in America to other fields—the fields of business, of education, and of religious institutionalism, if I might come into another field that has demanded some of my attention in recent years, as the chairman knows.

If we could relate these energies to this problem of getting people to recognize their mutual interests and to be less rigid in their loyalties to local, State, and Federal Government so they see the higher level through imaginative eyes, if we could pour some of their righteousness into the political enterprise as distinguished from the valid other loyalties of com-

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

merce, and so on, I think we would be meeting the demands of the 20th century, because man is a political creature and he must not let there be a lag in this field.

Representative Harold C. Ostertag, who was also a member of the Kestnbaum Commission, in voicing his support countered the arguments which might be raised against creating a new commission in this way:

Of course, with any of these proposals we must face the reaction which can be expected to the creation of another commission. But when a good cause is to be served, as in this case, I think this is an obstacle which can be overcome by logical and sound explanations.

Certainly, there is a continuing need for machinery in our governmental structure to provide the guidance and the balance essential to strengthening our system of Government. The creation of a continuing Commission on Intergovernmental Relations, in my judgment, makes possible such machinery and provides the means for the necessary follow-through which is so important to the very objectives we seek.

Further explaining his support for an advisory commission, Representative Ostertag said:

Now, on the former Commission on Intergovernmental Relations, the so-called Kestnbaum Commission, we concluded exhaustive studies in a great many areas of intergovernmental relations. There was not agreement on all of our findings but one thing on which we did agree was that there was a definite need for continuous study and observation of intergovernmental relations in this country. Some felt that this could best be done from an office in the executive. Others felt that a broader independent commission would be more suitable for the purpose. So, while there may be various vehicles for carrying out this work, I feel that the bills which are being considered by this committee are a step in the right direction.

The aims of the Commission which is proposed are very sound and worthy of attainment. I note that this is to be an advisory commission, but I would hope that this committee would consider more measures for translating the advice and recommendations of such an advisory commission into concrete results.

The committee heard from still another former member of the Kestnbaum Commission, former Gov. Sam H. Jones of Louisiana, who wrote:

In my opinion there is no validity to the arguments that "this is just another commission" and "it has no power and can do nothing." The wisest thing about our Federal system is that each level of government is, within limitations, autonomous within its own sphere. It is, therefore, within the nature of our system that no one level can completely dominate the other two levels. This legal situation makes an advisory commission the only method by which we can tackle

and ultimately solve the accumulated and constantly increasing problems of our three-level system.

And I might add here that, whilst the controversy between the advocates of States rights and those who lean toward national control is very real and highly publicized, there is another controversy that is just as determined. I refer to the battle that is now raging between the advocates of State control and those who sponsor wider latitude for municipal and county governments. This latter controversy is, in many respects, more difficult than the former because local governments are creatures of the State; while the States are not the creatures of the National Government. It is much more important, therefore, that there should be brought about some forum for the discussion of State-local problems than for the discussion of national-State problems.

The proposed Advisory Commission on Intergovernmental Relations would do both.

Gov. Herschel C. Loveless of Iowa explained the need for an advisory commission in this way when he appeared before the joint committees:

The refinement of the science of intergovernmental relations, I am firmly convinced, is an important key to the future success of Government under our Federal system. To compete with totalitarian nations, who command certain efficiencies, however repugnant their philosophy may be to us, we too must develop new methods of obtaining economy and efficiency in our democratic system. Studious efforts to improve coordination and eliminate duplications between the levels of government, both in regulatory functions and in meeting human needs, will, I am convinced, do wonders toward obtaining these results.

Of course, today, as heretofore in our democracy, our problem is a dual one. We do not propose to sacrifice any of our basic liberties under the Federal system in our zeal to make government work more efficiently. But, as I have stated earlier, I am convinced that the true prerogatives of State and local government can best be preserved by constant study and reevaluation of the appropriate roles of each level of government in the complicated pattern of intergovernmental relations.

Additional studies performed by temporary commissions and ad hoc committees cannot do the job. The face of government changes, too rapidly. A permanent, impartial agency, equipped with the necessary resources, is required for this important work. I submit to you that the proposed Advisory Commission on Intergovernmental Relations is the logical answer.

Gov. G. Mennen Williams, who also testified in person in the joint hearings, said:

The Advisory Commission would make a significant contribution, I think, if it were to review the areas of coordinate Federal and State responsibility with a view toward raising

those unresolved questions of jurisdiction and responsibility that should be considered by both the Federal and State Governments. I am not suggesting any specific directions that either the Federal or State Governments should take but rather recommending that this important series of problems be given the kind of study that an Advisory Commission could provide.

\* \* \* \* \*

There is no question in my mind, however, that the whole range of Federal activity should be analyzed constantly with a view toward relieving it of those responsibilities that can be done better or just as well by the States. I suggest this because I feel that the Federal Government should be strengthened in its capacity to do those things which it alone can do. Specifically, I think this encompasses the crucial tasks of foreign relations, national security, and economic stability. \* \* \* I have indicated what appear to me to be the major issues confronting the American Federal-State system. Study of these issues is the basic reason why I feel the proposed Advisory Commission on Intergovernmental Relations is desirable and should be established. Therefore, I urge favorable committee consideration for H.R. 6904 and recommend its quick enactment by the Congress.

Gov. William G. Stratton of Illinois wrote the committee that—

In my opinion, the creation of such a permanent commission is timely and necessary.

The Federal system of government which is so precious to all of us depends in essence on cooperation and correlated activities of the various State governments and the Federal Government. With the explosive growth of population and urbanization we are now experiencing, it becomes imperative that the relationships among our governments must be harmonious.

A permanent commission could serve as a clearinghouse for the various studies and investigations which are being made of the functions and responsibilities of our governments. In my opinion, such a commission would not overlap any of the work now being done, including that of the Joint Federal-State Action Committee in which the Governors' Conference plays an important role.

Gov. Luther H. Hodges of North Carolina expressed his view of the Advisory Commission in this manner:

From the beginning of my service as Governor of North Carolina, I have had many occasions to deal with vital questions affecting Federal-State relations. It is my present privilege to serve as a member of the Joint Federal-State Action Committee (an unofficial group of State and Federal officials), of which the U.S. Secretary of the Treasury and the Governor of Idaho are currently the cochairmen. In my capacity as Governor and in my capacity as a member of this Joint Federal-State Action Committee, I have become thoroughly convinced that there is a strong need for a con-



tinuing and officially recognized advisory agency to give concentrated attention to Federal-State problems.

Special studies in this area such as was done by the Commission on Intergovernmental Relations are helpful and of course the special attention to the overall problem which has been given by the Intergovernmental Relations Subcommittee of the House Committee on Government Operations has made a great contribution to our understanding in this area. But what is needed is a continuing advisory agency which can take up specific selected problems, work out specific solutions, and provide adequate followup to see that proposed action on specific problems is given adequate consideration by the Federal Government and by the States.

Gov. Foster Furcolo of Massachusetts made the point that—

It is important, moreover, that the present Federal grant-in-aid formulas be surveyed to determine whether they are equitable. It is desirable, too, to have some source of clear and accurate information as to the Federal grant program so that State officials of both the executive and legislative branches of government will have a clear understanding of Federal programs. Such an understanding is vital in the formulation of policy and the establishment and administration of programs within the State.

Senator Clifford P. Case of New Jersey took note in his statement of the effects of the growth of government that has taken place on all levels over the past few decades:

The interrelation of Federal, State, and local governmental units brought about by this growth has in turn created problems of its own. Our Federal system has had to adjust in a manner undreamed of by our Founding Fathers. Since much of the expansion in government has been on an ad hoc basis, it is perhaps only natural that inefficiency and confusion have frequently accompanied this growth. But it is imperative, for the future, that efforts be made now to insure a more fruitful cooperation between the various levels of government. The proliferation of grant-in-aid programs alone demands continuing study and evaluation. And there are numerous areas of jurisdictional conflict which should receive more attention, particularly in relation to current growth trends.

I am convinced that the establishment of a permanent Advisory Commission on Intergovernmental Relations would do much in this direction. It is a practical idea and one that could result in concrete suggestions for the improvement of our Federal system. By bringing together officials and experts from all levels of government, the proposed Commission can foster a spirit of cooperation and understanding which is so essential to a proper functioning of a Federal system, and which in turn could pave the way for significant improvements in the administration of cooperative programs.

More than ever, we need a group of this nature to study the continuing impact of a growing society on a system of

H. Rept. 742, 86-1—2

government that was originally established for a rural nation of only 3 million people. Thanks to the flexibility of our Constitution, we have been able to adjust to the enormous changes which have taken place since that time. Today, however, we live in an age in which the consequences of change are much more immediate and significant than they were 170 years ago. If we value the basic outlines of our Federal system, with its balance of National and State jurisdictions, we must pay more constant attention to the problems associated with intergovernmental relations.

I believe that the proposed Commission would prove a valuable and necessary service for the betterment of our system of government.

Representative Chester W. Bowles of Connecticut pointed out the urgency of improving communication between the levels of government:

The basic problem, as both the Kestnbaum Commission and this subcommittee's report have pointed out, is one of communications. It seems impossible in this day and age that a coordinated, effective means of sharing information and ideas between the Federal, State, and local governments does not exist, but unfortunately this is the case.

As a former Governor of Connecticut, who has faced the confusion and inconsistencies of the present situation from a State capitol, I feel very strongly that the proposed Advisory Commission on Intergovernmental Relations is a constructive, forward step which is long overdue, and I sincerely hope that favorable action on this proposal can be taken soon.

Senator Jacob K. Javits of New York emphasized the pressing need for systematic and continuous attention to Federal-State relations:

S. 2026, which would establish an Advisory Commission on Intergovernmental Relations, deals with a problem which has perennially plagued our Federal system, and which has become more pervasive and more acute with the increasing role of the Federal Government in our society. It is high time that the entire problem of relations between the States and the Federal Government be given systematic and sustained attention on a broad basis, since piecemeal attack on the problems of conflict of jurisdiction and administration between them has proved inadequate.

Senator Estes Kefauver of Tennessee pointed out the value of the Commission to the committees of Congress:

In its broadest sense, S. 2026 would, I believe, help tremendously in bringing about a better understanding of mutual problems among officials of local, State, and Federal Governments.

Such an intergovernmental advisory commission as S. 2026 proposes would also be of great value to the various committees of Congress in providing a broad perspective of the total picture of the programs which now originate in many

committees and are directed to many different jurisdictions. Coordination of tax resources is still another advantage that can be brought about through the functions of the proposed agency.

Representative Silvio O. Conte of Massachusetts noted that the Commission would be of particular value to State legislatures:

As a former State legislator, having served for 8 years in the Massachusetts State Senate, I am particularly aware of the desirability of bringing the legislative branch of State government into closer contact with Federal officials in connection with intergovernmental matters. I note with satisfaction that the Advisory Commission would facilitate this objective by including State legislative representation in its membership. Our State legislatures are desperately in need of more information on the many Federal activities that require State and local cooperation. Moreover, I believe their interest in these intergovernmental activities should be stimulated well in advance of the point at which the Congress takes legislative action which, for all practical purposes, necessitates State and local financial and administrative participation. A permanent Advisory Commission should provide an excellent educational medium for developing greater State legislative interest in this field. Such a development, I believe, would be extremely helpful to the legislative committees of the Congress.

Senator Winston L. Prouty of Vermont stressed that the Commission would not interfere with the prerogatives of State and local government:

I cosponsored the Senate bill under consideration only after satisfying myself that such a commission as the bill visualizes offers no threat of interference with State and local units of government. The people of Vermont have always placed a high value on their rights and prerogatives under local units of government. They like to make their own plans and decisions and they have not usually gone out of their way to welcome what they consider outside interference, even though they may know it is intended to be helpful.

I am convinced that the proposed Advisory Commission on Intergovernmental Relations will not constitute interference. On the contrary, it should help protect the legitimate interests and prerogatives of State and local governmental units, should help eliminate overlapping of operations, provide useful information, and increase efficiency.

In addition, such a commission should prove most useful to the Federal Government through assisting Congress in assessing local opinion on intergovernmental problems, through smoothing out relationships between Federal agencies and departments and local governments, and in keeping open the channels of communication among the various levels of government.

## 12 ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Representative Byron L. Johnson of Colorado pointed out several areas where intergovernmental policies tend to conflict:

Let me speak first to the powers and duties of the proposed Commission. As the members of the committee know very well, there are a number of areas where Federal, State, and local interests operate less than harmoniously. First, there is, for example, the question of the right of each level of government to tax property owned by another unit and level of government.

Second, there is the question as to whether interest on the debt obligations of one level of government can properly be taxed by another as part of income taxes.

Third, there is the question as to whether the payments in lieu of taxes now being made by some Federal agency is adequate and properly related to the impact of such Federal property upon local taxing jurisdictions.

Fourth, there is the question of the reasonableness of the shared receipts and revenues on certain public lands. \* \* \*

Fifth, there are questions as to whether or not certain taxes act as trade barriers, contrary to the constitutional intent.

Sixth, there is a very sensitive question of the rights of several States to tax the same property or income, because the Federal courts have taken a very permissive attitude toward multiple and overlapping State taxation. Congress and the Federal Government could do much under the Constitution to accomplish substantial uniformity in State laws with great benefit to American businessmen in simplifying their tax compliance. Such improvements need not materially reduce State revenues but should certainly simplify tax administration and enforcement.

One of the hidden areas in public finance is our lack of knowledge of the cost of compliance upon taxpayers in filling out the thousands of forms that they are required to fill out for the thousands of taxing jurisdictions with which the larger corporations must deal. Many taxpayers are plagued by the inconsistencies and complexities of the various tax jurisdictions having power to tax them.

Now, these questions will never be resolved if we wait for neighboring States to work out suitable answers. They might be resolved by having a Federal commission conducting continuing research, issuing publications, and holding conferences as background for appropriate changes in law at each level.

Finally, there is a question of grants-in-aid, which is specifically provided for by H.R. 6904.

Mayor Frank P. Zeidler of Milwaukee, representing the U.S. Conference of Mayors, described the need for an advisory commission in these terms:

Bills H.R. 6904 and S. 2026, I believe, would remedy this lack of formal assembly to gather information from all levels

of government in order to adjust the difficulties which may exist between these levels. It would also remedy the lack of sense of direction which the Federal, State, and local governments have as to where each one is going with respect to each other. It will provide an avenue for channeling the best technical information and most comprehensive knowledge that is now possessed by experts in the United States in the science of government that this knowledge may be able to improve the inner workings of government in the United States.

Mayor Gordon S. Clinton of Seattle, testifying for the American Municipal Association, stated that—

because the Commission proposal recognizes the need for equitable, responsible, and knowledgeable representation on the part of all levels of government \* \* \* we feel that the conclusions reached as a result of its deliberations will enjoy considerable acceptance on the part of all levels of government \* \* \*

\* \* \* \* \*

I am certain that we can effect better intergovernmental relationships, that we can encourage and promote realignment of functional responsibilities at various levels of government, that we can do some within the broad framework of government laid down by our Constitution. And, in so doing, be secure in the knowledge that our democratic process and individual freedoms need never be violated in the course of our work.

Mr. Saul I. Stern, chairman of the Montgomery County chapter of the Maryland Municipal League, expressed the thinking of a public official familiar with the problems of small urban communities:

I believe that those of you who have been in contact with State, county, and municipal officials can agree that the vast majority of these elective and appointive officials are very dedicated and devoted public servants. I believe a great many of the problems, a great part of the inaction, arises from the fact that these particular officials are confused, and they have no course or direction because they are truly bewildered by the complexities of our population and physical growth. And of course all of us who are public officials are staggered by the spiraling costs of government. We wonder where the dollars are going to come from to provide the increased demands of service which our population is insisting upon. And I think that if this Commission is set up—and I am most hopeful that it will be—and if it sits down to determine the roles, functions, duties, and services that the various levels of government should perform in light of these constantly changing conditions imposed by growth, we will have made a real step forward to the solution of the financial as well as a good many of our other problems.

I think we need to have representative of the Federal Government, and representatives of the State, county, and municipal governments sitting down and discussing these problems together. We need, however, first of all to determine what our common problems are. \* \* \*

\* \* \* \* \*

If our Federal system is to be workable, if it is to be vital, and if it is to be continued on a strong and firm basis, then we must have this sort of study. But we must have survival of all systems of government. It is my firm belief that as long as people participate in government at all levels we will have a very strong, vibrant, and a really meaningful democracy. And I am most hopeful that the Commission on Intergovernmental Relations will be set up on a continuing basis. I think it should be established now and should be placed on a permanent basis.

#### NATURE OF COMMISSION

The committee views the Advisory Commission as a political innovation—a new type of organization designed especially to cope with the changing problems encountered in our Federal form of government. It will be a genuine interlevel body, not an agency dominated or controlled by any one level of government.

In providing for the appointment of Commission members, the committee has sought to assure the selection of persons possessing special knowledge and qualifications in this field. Thus, the committee favors the participation of the designated organizations in the selection of State and local members since these organizations are well equipped to recommend outstanding individuals from their respective levels of government. However, the committee also favors the appointment of members from panels as proposed in H.R. 6904, as amended, because it believes the President is in the best position to weigh such considerations as the geographic areas and the types of communities represented so as to produce a well-balanced advisory body.

Similarly, the committee believes that the President is best situated to designate the Chairman and Vice Chairman, who should possess outstanding qualifications for these assignments and a reputation for objectivity which will make them generally acceptable to all levels of government.

The committee studied two other proposals for the appointment of Commission members. It was proposed, on the one hand, that the State and local organizations directly appoint representatives to the Commission, and, on the other hand, that the selection of members be left completely to the discretion of the President. Neither of these proposals is believed as desirable as the procedure recommended by the committee.

It is the committee's intent that the designated organizations will take geographic considerations into account in selecting the panels. Further, the committee is confident that the President and these organizations will work together for the purpose of achieving an objective and geographically balanced body.

It is the committee's expectation that members will come to the Commission with open minds and with the intention of working toward the ultimate goal of responsible and effective government at all levels of our Federal system. In this connection, the committee also believes that the members will not regard themselves as primarily representatives of any particular group, level of government, or geographic area for the advancement of a special point of view. It is intended that the Commission will not urge a Federal solution simply because Federal action appears the easiest course. It is rather intended that it will encourage the assumption of responsibility by the appropriate level or levels of government with respect to any given problem.

It is the committee's expectation that the Commission will establish working subcommittees which will give intensive and continuing study to important problems of concern to the Commission as a whole.

The committee is hopeful that the Commission will function as a coordinating center for the study of intergovernmental relations and will encourage and stimulate attention to the problems in this field not only on the part of government but by the universities and private foundations as well.

#### COOPERATION OF THE STATES

Consideration was given to the States contributing a portion of the Commission's operating expenses. While the committee believes joint Federal-State financial support is desirable in principle, considerable doubt has been raised as to the practicability of such an arrangement. In order to avoid handicapping the Commission, the committee believes it advisable that the Commission's operating expenses be paid for the present wholly from Federal funds.

However, the committee is of the opinion that the States should and will wish to contribute indirectly to the Commission's support by furnishing staff assistance to the Commission and to its working committees.

It is expected that the State and local governments, collectively through their respective organizations, and individually where feasible, will cooperate actively with the Commission in the collection and analysis of State and local research data and by the assignment, when needed, of appropriate personnel to assist in the conduct of specific research projects.

#### CONCLUSION

Upon recommendation of the Intergovernmental Relations Subcommittee, the full committee favorably reports H.R. 6904, with amendments, to establish an Advisory Commission on Intergovernmental Relations.

The committee recognizes that the particular organizational features provided by this bill may require adjustment from time to time in response to experience and changing conditions. For the present, however, the committee is satisfied that the bill, as amended, represents a sound and carefully planned method of accomplishing the important objectives intended for the Commission.

The committee adopted five principal amendments of H.R. 6904 to incorporate recommendations made by witnesses in the joint hearings and by the Director of the Bureau of the Budget. These amendments are: (1) An elaboration of the declaration of purpose to clarify and make more explicit the breadth of the Commission's responsibilities (sec. 2(6), (7)); (2) enlargement of the membership of the Commission from 24 to 25 members, to provide greater representation for county government (sec. 3(a)); (3) enlargement of the size of the panels to be submitted to the President by the several State and local organizations for the appointment of Commission members, in order to afford the President greater flexibility in the appointments (sec. 3 (a), (4), (5), (6), (7)); (4) increase the number of members from county government from one to two (sec. 3 (a), (7)); (5) provision for designation of the Chairman and Vice Chairman of the Commission by the President from among members of the Commission (sec. 4(b)).

In addition, the committee adopted a number of technical perfecting amendments.



### ADDITIONAL VIEWS OF HON. CLARE E. HOFFMAN

H.R. 6904 is an outgrowth of the 30th report by the Committee on Government Operations in the 85th Congress. Among the findings of that report—a report in which I concurred—was one to the effect that there was generally favorable acceptance throughout the Nation of the grant-in-aid principle and most existing grant programs.

However, throughout the hearings upon which the report was based, it became apparent that the tangled web of intergovernmental relationships, in a complex which encompasses echelons ranging from the local to the national, was sorely in need of continuing review and coordination.

While I am basically opposed to the Federal Government continually increasing its authority and activities, especially those which should and can be performed by the States and the municipalities, inasmuch as that tendency will continue, we certainly must seek means to make the spending and the controls as efficient and economical as possible.

Perhaps the creation of a commission such as that provided for in the bill will tend to bring about those objectives—that is, less spending, less waste, greater efficiency.

CLARE E. HOFFMAN.

17

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